

Message Text

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PAGE 01 STRASB 00184 241744Z

21

ACTION EUR-12

INFO OCT-01 ISO-00 CIAE-00 COME-00 EB-07 INR-07 LAB-04

NSAE-00 SIL-01 DODE-00 PA-02 USIA-15 PRS-01 SP-02

/052 W

----- 105258

R 241720Z SEP 76

FM AMCONSUL STRASBOURG

TO SECSTATE WASHDC 0950

INFO AMEMBASSY PARIS

AMCONSUL BORDEAUX

AMCONSUL MARSEILLE

AMCONSUL NICE

AMCONSUL LYON

UNCLAS STRASBOURG 184

E.O.11652: N/A

TAGS: EGEN, FR.

SUBJECT: REACTION TO BARRE ECONOMIC PROPOSITIONS

1. POLITICAL REACTION IN ALSACE TO THE BARRE ECONOMIC PROPOSALS HAS PREDICTABLY FOLLOWED THE EXPECTED SPLIT BETWEEN THE PARTIES OF THE PRESIDENTIAL MAJORITY AND THE OPPOSITION. INITIAL LABOR COMMENT HAS BEEN NEGATIVE WHILE BUSINESSMEN ARE CAUTIOUSLY FAVORABLE, BUT WITH SOME RESERVATIONS.

2. THE REACTION FROM THE REGIONAL FEDERATION OF INDEPENDENT REPUBLICANS WAS PREDICTABLY FAVORABLE TO THE BARRE PLAN. THE RI PARTY STATEMENT DECLARED THAT THE PLAN IS A GENERALIZED ATTACK ON INFLATION, PUBLIC ENEMY NUMBER ONE, AND, BEING BASED ON SOCIAL JUSTICE, YET WILL NOT DESTROY THE FREE INITIATIVE NECESSARY FOR ECONOMIC DEVELOPMENT. THE RI IS CONVINCED THE PLAN WILL SUCCEED AND WILL RECEIVE THE SUPPORT OF ALL FRENCH PEOPLE WHO WILL RISE ABOVE THEIR IDEOLOGICAL AND ELECTORAL DIFFERENCES. M. BORD AND HEIDER, THE PRINCIPAL ALSATIAN GAULLISTS CALL THE PRIME MINISTERS PLAN REASONABLE AND JUST, BUT EXPRESS THE HOPE THAT ITS IMPLEMENTATION WILL BE TEMPERED WITH SOCIAL

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JUSTICE SO THAT THE MOST DISADVANTAGED CITIZENS WILL NOT BE

FORCED TO SHOULDER AN UNFAIR SHARE OF THE ECONOMIC BURDEN.

3. THE TENOR OF SOCIALIST WAS REFLECTED IN THE STATEMENT OF M. OEHLER, FEDERAL SECRETARY OF THE SOCIALIST PARTY , WHO EXPRESSED GREAT DISAPPOINTMENT. THE PLAN, IN HIS VIEW, WAS IN REALITY REUSING ECONOMIC MEASURES WHICH HAVE, IN THE PRESENT CONTEXT, ALREADY GIVEN PROOF OF THEIR INEFFECTIVENESS. THE NOVELTY THIS TIME LIES IN THE FACT THAT THE GOVERNMENT HAS DECIDED TO USE PRACTICALLY THE WHOLE RANGE OF ACTIONS POSSIBLE IN THE FRAMEWORK OF A CAPITALIST ECONOMY. IN TERMS OF SOCIAL JUSTICE, THE GOVERNMENT S PROGRAM IS SCANDALOUS.

4. THE HEAD OF THE COMMUNIST PARTY IN HAUT-RHIN, M. BECHLER, COMPLAINED THAT THE PRIME MINISTER S PROPOSALS LACKED ANY ANTIMONOPOLISTIC MEASURES AND LEVIED THE ENTIRE BURDEN OF THE PROGRAM ON WAGE EARNERS TO THE BENEFIT OF THE LARGE INDUSTRIAL CAPITALISTS. BARRE HAS ACCUSED SALARIED WORKERS OF BEING RESPONSIBLE FOR INFLATION, EVEN THOUGH THEY ARE ITS PRINCIPAL VICTIMS. IT SHOULD NOW BE CLEAR, THE COMMUNIST LEADER CONCLUDED, THAT THE PRIME MINISTER IS A MAN TOTALLY DEVOTED TO THE INTERESTS OF BIG MONEY.

5. LABOR LEADERS ARE UNIVERSALLY OPPOSED TO THE BARRE PROGRAM. M. KASPAR, SECRETARY GENERAL OF THE CFDT-ALSACE, DESCRIBES THAT BARRE PLAN AS A STRANGE MOSAIC CONSTRUCTED BY AN ARTIST WHO SOUGHT ITS PIECES HERE AND THERE IN ORDER TO TRY TO HIDE WHAT IS UNDERNEATH. ACCORDING TO THE CFDT LEADER, THE PLAN DOES NOT ATTACK PROFITS, THE PLACEMENT OF INVESTMENT AND TACKLE THE STRUGGLE AGAINST FINANCIAL AND REAL ESTATE SPECULATION. NOR DOES IT MAKE ANY PROPOSAL LEADING TO PUBLIC CONTROL OF INVESTMENTS OR RECOGNIZING NECESSARY ECONOMIC PLANNING. THE RESULT IS THAT THE BARRE PLAN FAILS TO GRAPPLE WITH THE FUNDAMENTAL CAUSES WHICH LEAD TO INFLATION. M. HUGEL OF THE CGT REGIONAL COMMITTEE IN ALSACE SAID THAT THE PROGRAM FOLLOWS THE WEAKENED POLICY OF GISCARD AND CHIRAC, THAT IS TO SAY , AUSTERITY FOR WORKERS WITHOUT ANY GUARANTEE THAT INFLATION WILL BE STOPPED. THE MEASURES CONTEMPLATED IN THE BARRE PLAN WILL ONLY PROFIT LARGE CAPITALIST FIRMS WHO CONTINUE TO EARN PROFITS NEVER BEFORE REACHED IN SPITE OF THE CRISIS. M. DOUTE, PRESIDENT OF THE REGIONAL CGC UNION ASKS A QUESTION: AREN T UNCLASSIFIED

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THE MEASURES DEALING WITH THE VIGNETTE AND THE PRICE OF GASOLINE GOING TO AGGRAVATE THE DIFFICULTIES ALREADY FACED BY THE AUTOMOBILE INDUSTRY? HIS CONCLUSION: ONCE AGAIN INCOMES EARNED BY WAGE EARNERS WILL BEAR THE COST OF AN ECONOMIC AUSTERITY PROGRAM.

6. ON THE BUSINESS SIDE, LEADERS ARE CAUTIOUSLY OPTIMISTIC, ALBEIT WITH SOME RESERVATIONS. DANIEL HOEFFEL, PRESIDENT OF

THE SOCIAL AND ECONOMIC COMMITTEE FOR ALSACE, FEELS THAT THE PRICE FREEZE IS PSYCHOLOGICALLY A POSITIVE MEASURE, BUT WHOSE REAL EFFECTIVENESS WILL NOT BE KNOWN IMMEDIATELY. THE SUCCESS OF THE BARRE PLAN, IN HIS OPINION, WILL DEPEND ON THE SUCCESS OR FAILURE OF THE WAGE PROGRAM WHICH, IN TURN, DEPENDS ON THE UNION'S REACTION. MR. HOFFEL IS MORE CRITICAL WHEN DISCUSSING THE TAX AND SOCIAL SECURITY PROVISIONS, BELIEVING THAT AN OPPORTUNITY FOR NEEDED MAJOR REFORM, ESPECIALLY IN THE AREAS OF HOSPITALIZATION AND THE AMOUNT OF HEALTH COSTS BORE BY THE INDIVIDUALS, HAS UNFORTUNATELY BEEN OVERLOOKED. FURTHERMORE, HE FEELS THAT THE INVESTMENT PROPOSALS ARE INSUFFICIENT TO COMPENSATE FOR THE SLOW-DOWN IN BUSINESS ACTIVITY WHICH WILL RESULT FROM THE PROGRAM. HOFFEL'S CONCLUSION, AS ONE OF THE MOST INFLUENTIAL BUSINESSMEN OF THE REGION, IS THAT THE BARRE PROGRAM CONTAINS INDISPENSIBLE MEASURES, BUT THAT FURTHER FUNDAMENTAL REFORMS ARE NECESSARY. TECHNICAL MEASURES ARE ONE THING - BUT ITS PUBLIC ACCEPTANCE, THE KEY TO ITS SUCCESS OR FAILURE, IS ANOTHER MATTER ALTOGETHER.

7. M. UHRICH, SECRETARY GENERAL, STRASBOURG CHAMBER OF COMMERCE, FINDS THE PLAN COHERENT AND CAPABLE OF SUCCESS, EVEN THOUGH HE ADMITS THAT HIS CONSTITUENCY WILL BE HARD HIT BY ITS PROVISIONS. THE 6.5% GOAL IS DIFFICULT, BUT NOT UNREASONABLE. THE PRICE FREEZE AND THE REDUCTION IN THE TVA SO THAT INCOME WILL GO FARTHER MAKES SENSE AND WILL RESTRAIN FUTURE PRICE AND WAGE INCREASES. EVEN THOUGH THE AUTOMOBILE INDUSTRY WILL FEEL THE PINCH, THE VIGNETTE IS BEARABLE DUE TO THE LACK OF HIGH HORSE-POWER CARS. AND THE GASOLINE PRICES INCREASES REFLECT THE NEED TO LIMIT PETROLEUM IMPORTS. BARRE, M. UHRICH CONCLUDES, IS JUST THE RIGHT PERSON TO CARRY OUT SUCH A DIFFICULT ECONOMIC PLAN BECAUSE OF HIS DETERMINATION FOR ITS SUCCESS AND HIS LACK OF POLITICAL AMBITION.ROMINE

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT REFORM, OPPOSITION PARTIES, ECONOMIC PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 24 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STRASB00184
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760362-0891
From: STRASBOURG
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760921/aaaaarqk.tel
Line Count: 146
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: greeneet
Review Comment: n/a
Review Content Flags:
Review Date: 20 AUG 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 AUG 2004 by cookms>; APPROVED <17 DEC 2004 by greeneet>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: REACTION TO BARRE ECONOMIC PROPOSITIONS
TAGS: EGEN, PGOV, PINT, FR, (BARRE, RAYMOND)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006